



SOUTHERN CALIFORNIA IBEW - NECA TRUST FUNDS

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MEMORANDUM

TO: All Plan Participants, Beneficiaries Receiving Benefit Payments, QDRO Alternate Payees, Employers Obligated to Contribute, Local Unions Representing Plan Participants, Secretary of Labor, Pension Benefit Guaranty Corporation

FROM: Board of Trustees

DATE: October 28, 2009

RE: **Notice of the Actuary's Certification of Critical Status of the Plan under the Pension Protection Act of 2006 for the Southern California IBEW-NECA Pension Plan**

This is to inform you that on September 28, 2009 the plan actuary certified to the U.S. Department of the Treasury, and also to the plan sponsor, that the plan will be in critical status for the plan year beginning July 1, 2009. Federal law requires that you receive this notice.

IMPORTANT: If you are a retired participant (pensioner), beneficiary or QDRO Alternate Payee receiving pension payments, the Fund is required to send you this Notice. However, the benefit changes described in this Notice do not apply to benefits which first commenced prior to October 28, 2009.

Critical Status

The plan is considered to be in critical status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that over the next three years, the plan is projected to have an accumulated funding deficiency for the plan year ending June 30, 2013.

Rehabilitation Plan and Possibility of Reduction in Benefits

Federal law requires pension plans in critical status to adopt a rehabilitation plan aimed at restoring the financial health of the plan. The law permits pension plans to reduce, or even eliminate, benefits called "adjustable benefits" as part of a rehabilitation plan. Since the trustees of the plan have determined that benefit reductions are necessary, you are also receiving a separate notice identifying and explaining the effect of those reductions. Any reduction of adjustable benefits will not reduce the level of a participant's basic benefit payable at normal retirement. In addition, the reductions may only apply to participants and beneficiaries whose benefit commencement date is on or after the date of this notice, or October 28, 2009.

All Plan Participants, Beneficiaries Receiving Benefit Payments, ODRO Alternate Payees, Employers Obligated to Contribute, Local Unions Representing Plan Participants, Secretary of Labor Pension Benefit Guaranty Corporation
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Adjustable Benefits

The plan offers the following adjustable benefits which may be reduced or eliminated as part of any rehabilitation plan the pension plan may adopt: (i) Post-retirement death benefits; (ii) Sixty-month payment guarantees; (iii) Disability benefits (if not yet in pay status); (iv) Early retirement benefit or retirement-type subsidy; and (v) Pre-Retirement death benefits.

Employer Surcharge

Employers must pay a Contribution Surcharge, beginning with the contributions due 30 days after the date of this Notice-- 5% of contributions required to be paid on or after November 28, 2009 or actually paid after that date even if the obligation to the Fund arose earlier, through June 30, 2010; 10% of contributions required to be paid or actually paid on and after July 1, 2010. The surcharge remains in effect until the Employer and Union agree on a Rehabilitation Plan Schedule. A copy of the Rehabilitation Plan adopted by the Trustees and an explanation of the changes under each Schedule is enclosed.

Where to Get More Information

For more information about this Notice, you may contact the Trust Fund's Administrative Office in writing at:

Southern California IBEW-NECA Pension Plan
P.O. Box 910918
Los Angeles, California 90091

A copy of the rehabilitation plan and an explanation is enclosed.

Board of Trustees